

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
: In re : Chapter 11 Case No.
: :
: LEHMAN BROTHERS HOLDINGS INC., et al., : 08-13555 (JMP)
: :
: Debtors. : (Jointly Administered)
: :
-----X

**AFFIRMATION OF CLAIMANT Michael J. Mullen IN OPPOSITION TO
DEBTORS' 313th OMNIBUS OBJECTION (TO RECLASSIFY PROOFS OF
CLAIM AS EQUITY INTERESTS) DATED JUNE 4, 2012**

Michael J. Mullen affirms under penalties of perjury as follows:

1. I was employed by Lehman Brothers from October 1, 2000 through September 17, 2008. Lehman Brothers terminated my employment on September 17, 2008 by transfer to Barclays.
2. Upon the termination of my employment, Lehman Brothers assured me that my termination was an "involuntary termination without cause" as that phrase is defined in the "RSU Agreements" between Lehman Brothers and employees.
3. Upon my execution of a Separation Agreement and Release dated September 17, 2008, I satisfied the "Release Requirement" set forth in the RSU Agreements.
4. Pursuant to the RSU Agreements, I recognized that I was contractually obligated to avoid engaging in any "Detrimental Activity" and that I had other ongoing contract obligations under these Agreements. *See, e.g., Debtors' Dec. 15 Omnibus Reply at pp. 65-68 (RSU Agreement for 2004).*

5. After my entry into the RSU Agreements, including after the termination of my employment, I continued to perform all of those contractual obligations.

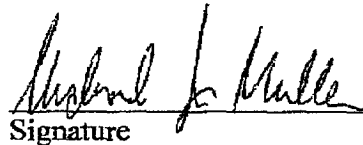
6. Attached hereto as Exhibit 1 is the original Proof of Claim that I filed in connection with my contract rights under the RSU Agreements. This initial Claim was assigned Claim No. 555241330

7. The practice followed each year by Lehman Brothers for commissioned salespeople was to calculate gross production and net production (commission payment) on a monthly basis. (See Attached compensation statement) Lehman made 2 deductions from net production arrive at monthly commission payments to me. The first was titled "net production adjustment"; this was explained by Lehman management as a withholding to be paid back at year end as a bonus. The second adjustment, "Equity Accrual Calculated" was a deduction for the Lehman Brothers RSU equity incentive program.

8. I never paid tax on the portion of any bonus reserved under the RSU Agreements. For prior years, not at issue here, after my interests vested and I was permitted to draw down on my RSU account, Lehman Brothers would retain a portion in cash to pay the federal withholding tax, and then would use the balance to provide me with Lehman Brothers shares. The entire amount of the bonus was treated as ordinary income to me and was taxed at ordinary income rates. My understanding is that Lehman Brothers was entitled to a business expense deduction for the amount of this portion of the bonus, but only at the time that it was actually paid.

~~12.~~ 9. The economic substance of the RSU Agreements to me was that a portion of the bonus that had been declared for me was held back, and would be paid to me only after passage of five years, during which I was subject to ongoing contractual obligations. At no time did Lehman suggest that I had ever failed to perform any of these contractual obligations, the breach of which could result in rescission of my bonus. However, under the terms of the RSU Agreements, Lehman Brothers was not required to pay me anything from this reserved bonus, and in fact Lehman Brothers did not pay me anything, until five years after we entered into that RSU Agreement.

~~10.~~ 10. Even after vesting I was not permitted to draw down on the shares until five years after the date of the RSU Agreement. During this entire time my right to draw down on the shares was contingent on my continued performance of contract obligations. Even after I was terminated without cause, my right to draw down on the shares depended upon my continued observance of certain contract obligations.


Signature

Michael J. Mullen
Printed Name

Affirmed under penalties of perjury
on this 30th day of June, 2012


Notary Public

*My Commission Expires
April 30, 2016*

EXHIBIT 1

United States Bankruptcy Court/Southern District of New York Lehman Brothers Holdings Claims Processing Center c/o Epig Bankruptcy Solutions, LLC FDR Station, P.O. Box 5076 New York, NY 10150-5076		PROOF OF CLAIM	
In Re: Lehman Brothers Holdings Inc., et al. Debtors.	Chapter 11 Case No. 08-13555 (JMP) (Jointly Administered)	UNIQUE IDENTIFICATION NUMBER: 555241330 Filed: USBC - Southern District of New York Lehman Brothers Holdings Inc., Et Al 08-13555 (JMP) 0000027599	
Name of Debtor Against Which Claim Is Held LEHMAN BROTHERS HOLDINGS, INC.		Case No. of Debtor 08-13555 (JMP)	
Name and address of Creditor: (and name and address where notices should be sent if different from Creditor) LBH (MERGE2.DBF.SCHED_NO) SCHEDULE #: 555241330**** MULLEN, MICHAEL J. 396 NORTH STREET GREENWICH, CT 06830		<input type="checkbox"/> Check this box to indicate that this claim exceeds a previously filed claim. Court Claim Number: _____ (If known) Filed on: _____	NOTICE OF SCHEDULED CLAIM: Your Claim is scheduled by the indicated Debtor as:  UNSECURED UNLIQUIDATED UNDETERMINED DESCRIPTION: PARTICIPATION IN NOTIONAL INTEREST PLAN
Telephone number: _____ Email Address: _____ Name and address where payment should be sent (if different from above) Telephone number: <u>203 961-0824</u> Email Address: <u>MMullen12@a.com</u>		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars. <input type="checkbox"/> Check this box if you are the debtor or trustee in this case.	
1. Amount of Claim as of Date Case Filed: \$ <u>354,417.72</u> (If all or part of your claim is secured, complete Item 4 below; however, if all of your claim is unsecured, do not complete item 4. If all or part of your claim is entitled to priority, complete Item 5. If all or part of your claim qualifies as an Administrative Expense under 11 U.S.C. §503(b)(9), complete Item 6. <input type="checkbox"/> Check this box if all or part of your claim is based on a Derivative Contract.* <input type="checkbox"/> Check this box if all or part of your claim is based on a Guarantee.* *IF YOUR CLAIM IS BASED ON AMOUNTS OWED PURSUANT TO EITHER A DERIVATIVE CONTRACT OR A GUARANTEE OF A DEBTOR, YOU MUST ALSO LOG ON TO http://www.lehman-claims.com AND FOLLOW THE DIRECTIONS TO COMPLETE THE APPLICABLE QUESTIONNAIRE AND UPLOAD SUPPORTING DOCUMENTATION OR YOUR CLAIM WILL BE DISALLOWED. <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of interest or additional charges. Attach itemized statement of interest or charges to this form or on http://www.lehman-claims.com if claim is based on a Derivative Contract or Guarantee.		5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount. Specify the priority of the claim: <input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). <input checked="" type="checkbox"/> Wages, salaries or commissions (up to \$10,950), earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(4). <input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5). <input type="checkbox"/> Up to \$2,425 of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(7). <input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8). <input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. § 507(a)(____). Amount entitled to priority: <u>\$ 10,950</u>	
2. Basis for Claim: <u>Compensation Withheld</u> (See instruction #2 on reverse side.)			
3. Last four digits of any number by which creditor identifies debtor: <u>4653</u> 3a. Debtor may have scheduled account as: _____ (See instruction #3a on reverse side.)			
4. Secured Claim (See instruction #4 on reverse side.) Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information. Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input checked="" type="checkbox"/> Other Describe: <u>RESTRICTED STOCK UNITS in addition to compensation withheld.</u> Value of Property: \$ _____ Annual Interest Rate _____ % Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$ _____ Basis for perfection: _____ Amount of Secured Claim: \$ _____ Amount Unsecured: \$ <u>3</u>			
6. Amount of Claim that qualifies as an Administrative Expense under 11 U.S.C. §503(b)(9): \$ _____ (See instruction #6 on reverse side.)			
7. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim. 8. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages and security agreements. Attach redacted copies of documents providing evidence of perfection of a security interest. (See definition of "redacted" on reverse side.) If the documents are voluminous, attach a summary. DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING. If the documents are not available, please explain:		FOR COURT USE ONLY <div style="border: 2px solid black; padding: 5px; text-align: center;"> FILED / RECEIVED SEP 22 2009 EPG BANKRUPTCY SOLUTIONS, LLC </div>	
Date: _____ Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any.			

Compensation Statement

Name: 10204045 - MICHAEL MULLEN
From: 12/1/2007 To: 11/30/08

Year Total	Sep-08	Aug-08	Jul-08	Jun-08	May-08	Apr-08	Mar-08	Feb-08	Jan-08	Dec-07
7,051,614.44	228,886.97	370,321.85	572,147.88	628,900.23	1,049,350.59	561,882.80	725,851.78	694,068.54	1,195,501.53	924,802.28
947,338.02	38,631.87	49,403.70	76,777.49	88,468.21	138,805.99	80,504.86	103,175.52	93,885.82	180,271.90	118,411.88
13.43	16	13.34	13.42	14.07	13.32	12.17	14.21	13.53	13.41	12.8
		0	0	0	0	0	0	-0.01	0	0
Prior Months -Deficit/Overage										
Ad to Net Production	0	-14,375.80	-18,578.04	-21,442.08	-31,736.43	-29,839.88	-33,854.08	-9,717.98	-31,141.18	-15,622.83
Monthly Payout Balance	36,631.87	35,027.90	88,198.48	87,027.14	108,070.56	50,565.21	79,521.44	84,187.88	129,130.71	102,789.42
Draw Amount	0	0	0	0	0	0	0	0	0	0
Total Sales Compensation	36,631.87	35,027.90	88,198.48	87,027.14	108,070.56	50,565.21	79,521.44	84,187.88	129,130.71	102,789.42
Cash Commissions	0	42,194.92	48,755.68	53,875.74	77,580.92	44,327.82	61,122.43	63,817.25	89,895.82	74,617.66
Equity Actual Calculated	0	-7,167.02	9,443.77	13,151.40	30,388.83	6,237.38	18,398.01	20,350.41	39,234.90	28,171.26
Recorded Total Sales Compensation	0	35,027.90	58,199.45	67,027.14	108,070.56	50,565.21	79,521.44	84,187.88	129,130.72	102,789.42
-Deficit/Overage	0	0	0	0	0.01	0	0	0	-0.01	0

Represents compensation withheld to be repaid @ year end; Hybrid Commissions

Represents compensation withheld for Stock purchase plan. Stock never issued.

Total withheld \$354,417.72